

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF FARMERS	)	
RURAL ELECTRIC COOPERATIVE	)	CASE NO.
CORPORATION FOR PASS-THROUGH OF	)	2021-00108
EAST KENTUCKY POWER COOPERATIVE,	)	
INC. WHOLESALE RATE ADJUSTMENT	)	

ORDER

On April 1, 2021, Farmers Rural Electric Cooperative Corporation (Farmers RECC) filed an application to pass through any wholesale rate adjustment granted to East Kentucky Power Cooperative, Inc. (EKPC) in Case No. 2021-00103<sup>1</sup> pursuant to KRS 278.455(2) and 807 KAR 5:007. On July 30, 2021, Farmers RECC filed a revised schedule of proposed rates for its pass-through of EKPC's wholesale rate adjustment based upon the Stipulation, Settlement Agreement and Recommendation filed in Case No. 2021-00103.

There are no intervenors in this proceeding. By Order entered April 15, 2021, Farmers RECC' proposed rates were suspended up to and including October 5, 2021. Farmers RECC responded to two requests for information from Commission Staff. This matter now stands submitted for a decision.

---

<sup>1</sup> Case No. 2021-00103, *Electronic Application of East Kentucky Power Cooperative, Inc. for a General Adjustment of Rates, Approval of Depreciation Study, Amortization of Certain Regulatory Assets, and Other General Relief* (filed Apr. 6, 2021).

## LEGAL STANDARD

The review of Farmers RECC's application is governed by KRS 278.455, which provides that authorized increases and decreases in a generation and transmission (G&T) cooperative's rates may be flowed through to the customers of a distribution cooperative. Specifically, KRS 278.455(2) states, in relevant part, that an authorized increase or decrease in a G&T cooperative's rates:

[M]ay, at the distribution cooperative's discretion, be allocated to each class and within each tariff on a proportional basis that will result in no change in the rate design currently in effect. In the event of an increase in the wholesale rates and tariffs of the wholesale supplier by the Public Service Commission, the rates and tariffs of the distribution cooperative that have been revised on a proportional basis to result in no change in the rate design shall be authorized and shall become effective on the same date as those of the wholesale supplier.

The review of Farmers RECC's application is also governed by Commission regulation 807 KAR 5:007, which establishes the filing and notice requirements for a distribution cooperative when rates change to reflect a change in the rates of its wholesale supplier. Specifically, pursuant to 807 KAR 5:007, Section 1(3) and Section 2(2), Farmers RECC is one of the 16 owner-member cooperatives of EKPC, and in accordance with KRS 278.455, Farmers RECC seeks to pass-through the increase in EKPC's wholesale rates. In accordance with 807 KAR 5:007, Sections 1(4), 2(1), and 2(2), Farmers RECC included with its application proposed tariffs, a comparison of current and proposed rates, and a billing analysis to demonstrate that the rate change does not alter the rate design currently in effect and the revenue change has been allocated to each class and within each tariff on a proportional basis.

## BACKGROUND

Farmers RECC is a not-for-profit, member-owned, rural electric distribution cooperative organized under KRS Chapter 279. Farmers RECC is engaged in the business of distribution retail electric power to 25,970 members in Adair, Barren, Edmonson, Grayson, Green, Hart, Larue, and Metcalfe counties, Kentucky.<sup>2</sup> Farmers RECC does not own any electric generating facilities and is one of the 16-member cooperatives that own and receive wholesale power from EKPC. Farmers RECC's last general rate adjustment was effective May 12, 2017, in Case No. 2016-00365.<sup>3</sup>

## PROPOSED PASS-THROUGH RATE ADJUSTMENT

Farmers RECC proposed to pass through EKPC's proposed wholesale rate increase based upon the 2019 billing information for each rate class in Farmers RECC' Commission-approved tariffs. Farmers RECC choose 2019 because it corresponds to the 2019 test period used by EKPC in Case No. 2021-00103.<sup>4</sup> After adjustments for riders, billing adjustments, and other non-base-rate billing items,<sup>5</sup> Farmers RECC allocated EKPC's revenue increase first to each rate class and then to the individual base rate billing components of each class in order to maintain the current rate design in effect.<sup>6</sup>

---

<sup>2</sup> *Annual Report of Farmers RECC Rural Electric Cooperative Corporation to the Public Service Commission of the Commonwealth of Kentucky for the Calendar Year Ended December 31, 2020* at 45 and 53.

<sup>3</sup> Case No. 2016-00365, *Application of Farmers Rural Electric Cooperative Corporation for an Increase in Retail Rates* (Ky. PSC May 12, 2017).

<sup>4</sup> Application, Exhibit 6, Direct Testimony of John Wolfram (Wolfram Testimony) at 3.

<sup>5</sup> These limited adjustments include a base energy charge adjustment due to a Commission-approved Fuel Adjustment Clause roll-in effective February 1, 2020, and a few large commercial or industrial retail members who either switched rates or received revised contract demand amounts since 2019. Wolfram Testimony at 4.

<sup>6</sup> Wolfram Testimony at 3.

Except for retail members served under a special electric contract, no distinctions were made between retail rate classes taking service under EKPC's different wholesale rate classes. For special electric contracts, the retail rate increases were determined using specific data provided by EKPC and is consistent with the treatment applied to these particular classes in EKPC's last rate case, Case No. 2010-00167.<sup>7</sup> For vacant rate classes, if the per-unit charges were identical to another existing rate class, the per-unit charge applied was equivalent.<sup>8</sup> Otherwise, a vacant rate classes' increase to each per-unit charge was the same percentage as the overall base rate increase for Farmers RECC.<sup>9</sup>

Farmers RECC stated that it considered the recent Commission Order in Case No. 2020-00095<sup>10</sup> (Kenergy Order), where the Commission clarified "proportional" in light of the language contained in KRS 278.455(2).<sup>11</sup> The Commission explained that proportional increases should result in an increase that would avoid undoing any past rate design and avoid distorting the current rate design while maintaining the spirit of the regulation.<sup>12</sup> The Commission stated the revenue generated from each class and each of the class's rate components must continue to contribute in the same proportion to the

---

<sup>7</sup> *Id.* at 9. Case No. 2010-00167, *Application of East Kentucky Power Cooperative, Inc. for General Adjustment of Electric Rates* (Ky. PSC Jan. 14, 2011).

<sup>8</sup> Wolfram Testimony at 9.

<sup>9</sup> *Id.*

<sup>10</sup> Case No. 2020-00095, *Electronic Application of Kenergy Corp. for a Declaratory Order* (Ky. PSC Mar. 11, 2021).

<sup>11</sup> *Id.* at 4.

<sup>12</sup> Kenergy Order at 7.

total distribution cooperative revenue.<sup>13</sup> To accomplish this, the Commission explained that each class's revenue contribution percentage should be determined based upon the most recent Commission-approved revenue allocation. The revenue contribution percentage is then applied to the total of the distribution cooperative's portion of the G&T increase.<sup>14</sup>

Farmers RECC stated that the proposed rates were originally calculated based on the allocations from the last rate Order, but asserted that the Kenergy Order method produced self-evidently unreasonable results if the last approved revenue allocation was not consistent with the test year.<sup>15</sup> Farmers RECC argued that due to changes in the customers mix within the rate calculation, specifically for those rates with a three-part rate design, the demand charge could actually decrease leading to the conclusion that it would be unreasonable to pass-through a wholesale increase in such a manner.<sup>16</sup> Thus, the pass-through was allocated consistent with the method approved in the pass-through filings for EKPC's last two rate cases so not to run afoul of the proportionality standard in KRS 278.455(2).<sup>17</sup> Farmers RECC further argued that although the Kenergy Order stated that any revenue distortions could be addressed through subsequent rate filings by a distribution cooperative, near-simultaneous rate cases would be filed due to the possible skewing effect between retail customer classes and such a result would be inconsistent

---

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> Wolfram Testimony at 4–5.

<sup>16</sup> *Id.* at 5 and Farmers RECC's Response to Commission Staff's First Request for Information (Staff's First Request) (filed May 26, 2021), Item 2.

<sup>17</sup> Wolfram Testimony at 5–6.

with the enactment of KRS 278.455, where the intent is to avoid the need for each distribution cooperative to file a rate case.<sup>18</sup>

### DISCUSSION

Based upon the case record and being otherwise sufficiently advised, the Commission finds that, due to the \$36,355,254 annualized increase in EKPC's wholesale rates for service rendered on and after October 1, 2021, that was approved by the Commission in Case No. 2021-00103, Farmers RECC's request for approval of a pass-through rate increase pursuant to KRS 278.455(2) should be approved.

The Commission further finds that, based on sufficient evidence in the case records, Farmers RECC met its burden of proof, in accordance with KRS 278.455(2), that the rate change does not alter the rate design currently in effect and that the revenue change has been allocated to each class and with each tariff on a proportional basis. This finding is based upon the Commission's review of the approach proposed by Farmers RECC to pass-through the increase of EKPC's wholesale rates and the allocation of such increase to its retail rates. The Commission recognizes the concern over using the last approved revenue allocation, especially given the anomalous results that are especially present in those distribution cooperatives that have not filed for a general rate increase for a substantial time.<sup>19</sup> In the Kenergy Order, the Commission expressed its concern that rate increases, particularly revenue neutral increases, may result in a change of

---

<sup>18</sup> *Id.* at 8.

<sup>19</sup> For example, the last general rate increase for Salt River Electric Cooperative (Salt River Electric) was September 28, 1993; hence, the necessary information needed to obtain the appropriate revenue allocation was not readily available. See Case No. 2021-00116, *Electronic Application of Salt River Electric Cooperative Corporation for Pass-Through of East Kentucky Power Cooperative, Inc. Wholesale Rate Adjustment*, Salt River Electric's Response to Commission Staff's First Request for Information (filed May 26, 2021), Items 3 and 4.

revenue allocation due to the change in rate design. For example, if a distribution cooperative proposes a revenue neutral rate design based upon a test year that differs from a Commission-approved test year, the class revenue allocation may differ, thus altering the approved allocation and rate design. Based upon this review, the Commission finds that Farmers RECC' approach complies with the provisions of KRS 278.455(2) and 807 KAR 5:007, Section 2(2), and, therefore, should be accepted. However, any revenue neutral case filed as a general rate case or under the Commission-approved streamlined process in Case No. 2018-00407<sup>20</sup> will apply the methodology outlined in the Kenergy Order.

In reviewing Farmers RECC's proposed revenue increase allocation under the settlement, the Commission notes that the proposed increase, \$1,712,747, differs from the \$1,720,180 increase allocated to Farmers RECC by EKPC.<sup>21</sup> Farmers RECC maintained that EKPC calculated member system rates on a wholesale rate class basis, and not by member system, while Farmers RECC's pass-through exhibit was prepared individually.<sup>22</sup> Farmers RECC further maintained that the difference was due to rounding and calculation of the fuel adjustment charge and environmental surcharge, and was negligible.<sup>23</sup> In its response, Farmers RECC did not provide adequate support to explain why the proposed increase for the member system differed from EKPC's calculation. While rounding errors may occur in rate design, the Commission expects Farmers RECC

---

<sup>20</sup> Case No. 2018-00407, *A Review of the Rate Case Procedure for Electric Distribution Cooperatives* (Ky. PSC Dec. 20. 2019).

<sup>21</sup> Farmers RECC's Response to Commission Staff's Third Request for Information (filed Sept. 17, 2021), Item 1.

<sup>22</sup> *Id.*

<sup>23</sup> *Id.*

to explain and support why inputs differ between the wholesale provider and the member system.<sup>24</sup>

Based upon the Commission's authorization of a \$36,355,254 annualized increase in EKPC's wholesale rates effective for service rendered on and after October 1, 2021, Farmers RECC's wholesale power cost will increase by \$1,624,924, or 4.7 percent, annually.<sup>25</sup> Furthermore, based upon Farmers RECC's proposed pass-through analysis as filed on July 30, 2021, the Commission will maintain the dollar denominated differences between the estimated wholesale increase and member system increase in the determination of the rates

IT IS THEREFORE ORDERED that:

1. The rates and charges proposed by Farmers RECC are denied.
2. The approach proposed by Farmers RECC to allocate its portion of the increase in wholesale rates authorized in Case No. 2021-00103 is accepted.
3. The rates and charges in Appendix B, attached hereto, are fair, just and reasonable for Farmers RECC to charge for service rendered on and after October 1, 2021.

---

<sup>24</sup> For example, there is a billing determinant difference between the special contract rate for Owen Electric Cooperative, Inc. (Owen Electric) and EKPC which results in differing revenues. See, Case No. 2021-00115, *Electronic Application of Owen Electric Cooperative, Inc. for Pass-Through of East Kentucky Power Cooperative, Inc.'s Wholesale Rate Adjustment*, Owen Electric's Notice of Filing (filed July 30, 2021), Owen Electric filed Revised Exhibits of the proposed rates for the a pass-through of EKPC's wholesale rate adjustment, Staff 1-5-Owen-Settle-v2.xlsx and Case No. 2021-00103, *EKPC*, EKPC's Response to Commission Staff's Post-Hearing Requests for Information (filed Aug. 18, 2021), Item 10.

<sup>25</sup> See Appendix A.

4. Within 20 days of the date of this Order, Farmers RECC shall file with the Commission, using the Commission's electronic Tariff Filing System, its revised tariffs as set forth in this Order reflecting that they were approved pursuant to this Order.

5. This case is closed and removed from this Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By the Commission

ENTERED  
SEP 30 2021 rcs  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2021-00108

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00108 DATED SEP 30 2021

<b>Rate B</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ 341,987	\$ 350,744	\$ 8,757	2.6%
Blue Grass	\$ 10,757,845	\$ 11,035,263	\$ 277,418	2.6%
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ -	\$ -	\$ -	
Fleming-Mason	\$ -	\$ -	\$ -	
Grayson	\$ 1,733,635	\$ 1,778,438	\$ 44,803	2.6%
Inter-County	\$ 3,853,087	\$ 3,952,115	\$ 99,029	2.6%
Jackson	\$ 3,261,843	\$ 3,345,035	\$ 83,192	2.6%
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ 1,546,266	\$ 1,587,786	\$ 41,520	2.7%
Owen	\$ 15,691,907	\$ 16,113,009	\$ 421,101	2.7%
Salt River	\$ 7,849,642	\$ 8,048,401	\$ 198,759	2.5%
Shelby	\$ 9,959,655	\$ 10,210,443	\$ 250,788	2.5%
South Ky	\$ 3,987,957	\$ 4,089,565	\$ 101,608	2.5%
Taylor	\$ 831,893	\$ 853,592	\$ 21,699	2.6%
<b>Total</b>	<b>\$ 59,815,719</b>	<b>\$ 61,364,392</b>	<b>\$ 1,548,673</b>	<b>2.6%</b>

<b>Rate C</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ -	\$ -	\$ -	
Blue Grass	\$ -	\$ -	\$ -	
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ 2,875,951	\$ 2,951,756	\$ 75,804	2.6%
Fleming-Mason	\$ 7,135,643	\$ 7,323,237	\$ 187,594	2.6%
Grayson	\$ -	\$ -	\$ -	
Inter-County	\$ -	\$ -	\$ -	
Jackson	\$ 1,001,698	\$ 1,027,537	\$ 25,839	2.6%
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ -	\$ -	\$ -	
Owen	\$ -	\$ -	\$ -	
Salt River	\$ -	\$ -	\$ -	
Shelby	\$ -	\$ -	\$ -	
South Ky	\$ 5,690,287	\$ 5,841,773	\$ 151,486	2.7%
Taylor	\$ 449,732	\$ 461,248	\$ 11,516	2.6%
	<b>\$ 17,153,311</b>	<b>\$ 17,605,550</b>	<b>\$ 452,238</b>	<b>2.6%</b>

<b>Rate E</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ 15,194,682	\$ 15,929,940	\$ 735,258	4.8%
Blue Grass	\$ 75,472,253	\$ 79,160,079	\$ 3,687,826	4.9%
Clark	\$ 31,113,089	\$ 32,623,992	\$ 1,510,903	4.9%
Cumberland Valley	\$ 29,974,144	\$ 31,421,531	\$ 1,447,387	4.8%
Farmers	\$ 31,649,009	\$ 33,198,129	\$ 1,549,120	4.9%
Fleming-Mason	\$ 30,724,488	\$ 32,207,720	\$ 1,483,231	4.8%
Grayson	\$ 15,892,923	\$ 16,660,933	\$ 768,010	4.8%
Inter-County	\$ 29,674,742	\$ 31,124,764	\$ 1,450,022	4.9%
Jackson	\$ 58,279,094	\$ 61,105,989	\$ 2,826,895	4.9%
Licking Valley	\$ 17,298,143	\$ 18,132,437	\$ 834,294	4.8%
Nolin	\$ 43,686,325	\$ 45,822,867	\$ 2,136,542	4.9%
Owen	\$ 74,903,441	\$ 78,540,230	\$ 3,636,790	4.9%
Salt River	\$ 75,530,233	\$ 79,217,543	\$ 3,687,310	4.9%
Shelby	\$ 23,218,841	\$ 24,344,807	\$ 1,125,966	4.8%
South Ky	\$ 79,696,530	\$ 83,594,165	\$ 3,897,636	4.9%
Taylor	\$ 31,773,345	\$ 33,322,474	\$ 1,549,129	4.9%
	\$ 664,081,280	\$ 696,407,599	\$ 32,326,319	4.9%

<b>Rate G</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ -	\$ -	\$ -	
Blue Grass	\$ 5,730,294	\$ 5,874,687	\$ 144,393	2.5%
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ -	\$ -	\$ -	
Fleming-Mason	\$ 13,625,132	\$ 13,976,173	\$ 351,041	2.6%
Grayson	\$ -	\$ -	\$ -	
Inter-County	\$ -	\$ -	\$ -	
Jackson	\$ -	\$ -	\$ -	
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ 6,160,848	\$ 6,328,734	\$ 167,886	2.7%
Owen	\$ -	\$ -	\$ -	
Salt River	\$ -	\$ -	\$ -	
Shelby	\$ -	\$ -	\$ -	
South Ky	\$ -	\$ -	\$ -	
Taylor	\$ -	\$ -	\$ -	
	\$ 25,516,274	\$ 26,179,595	\$ 663,320	2.6%

<b>Contract</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ -	\$ -	\$ -	
Blue Grass	\$ -	\$ -	\$ -	
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ -	\$ -	\$ -	
Fleming-Mason	\$ -	\$ -	\$ -	
Grayson	\$ -	\$ -	\$ -	
Inter-County	\$ -	\$ -	\$ -	
Jackson	\$ -	\$ -	\$ -	
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ -	\$ -	\$ -	
Owen	\$ 41,786,791	\$ 42,872,821	\$ 1,086,030	2.6%
Salt River	\$ -	\$ -	\$ -	
Shelby	\$ -	\$ -	\$ -	
South Ky	\$ -	\$ -	\$ -	
Taylor	\$ -	\$ -	\$ -	
	<b>\$ 41,786,791</b>	<b>\$ 42,872,821</b>	<b>\$ 1,086,030</b>	<b>2.6%</b>

<b>Steam</b>				
<b>EKPC Member</b>	<b>Present</b>	<b>Final</b>	<b>Change</b>	<b>As Percent</b>
Big Sandy	\$ -	\$ -	\$ -	
Blue Grass	\$ -	\$ -	\$ -	
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ -	\$ -	\$ -	
Fleming-Mason	\$ 10,716,264	\$ 10,994,937	\$ 278,674	2.6%
Grayson	\$ -	\$ -	\$ -	
Inter-County	\$ -	\$ -	\$ -	
Jackson	\$ -	\$ -	\$ -	
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ -	\$ -	\$ -	
Owen	\$ -	\$ -	\$ -	
Salt River	\$ -	\$ -	\$ -	
Shelby	\$ -	\$ -	\$ -	
South Ky	\$ -	\$ -	\$ -	
Taylor	\$ -	\$ -	\$ -	
	<b>\$ 10,716,264</b>	<b>\$ 10,994,937</b>	<b>\$ 278,674</b>	<b>2.6%</b>

Rate TGP				
EKPC Member	Present	Final	Change	As Percent
Big Sandy	\$ -	\$ -	\$ -	
Blue Grass	\$ -	\$ -	\$ -	
Clark	\$ -	\$ -	\$ -	
Cumberland Valley	\$ -	\$ -	\$ -	
Farmers	\$ -	\$ -	\$ -	
Fleming-Mason	\$ 3,422,394	\$ 3,422,394	\$ -	0.0%
Grayson	\$ -	\$ -	\$ -	
Inter-County	\$ -	\$ -	\$ -	
Jackson	\$ -	\$ -	\$ -	
Licking Valley	\$ -	\$ -	\$ -	
Nolin	\$ -	\$ -	\$ -	
Owen	\$ -	\$ -	\$ -	
Salt River	\$ -	\$ -	\$ -	
Shelby	\$ -	\$ -	\$ -	
South Ky	\$ -	\$ -	\$ -	
Taylor	\$ 2,927,454	\$ 2,927,454	\$ -	0.0%
	\$ 6,349,849	\$ 6,349,849	\$ -	0.0%

Total				
EKPC Member	Present	Final	Change	As Percent
Big Sandy	\$ 15,536,669	\$ 16,280,684	\$ 744,015	4.8%
Blue Grass	\$ 91,960,392	\$ 96,070,029	\$ 4,109,637	4.5%
Clark	\$ 31,113,089	\$ 32,623,992	\$ 1,510,903	4.9%
Cumberland Valley	\$ 29,974,144	\$ 31,421,531	\$ 1,447,387	4.8%
Farmers	\$ 34,524,960	\$ 36,149,884	\$ 1,624,924	4.7%
Fleming-Mason	\$ 65,623,921	\$ 67,924,461	\$ 2,300,540	3.5%
Grayson	\$ 17,626,559	\$ 18,439,371	\$ 812,813	4.6%
Inter-County	\$ 33,527,829	\$ 35,076,879	\$ 1,549,051	4.6%
Jackson	\$ 62,542,635	\$ 65,478,561	\$ 2,935,926	4.7%
Licking Valley	\$ 17,298,143	\$ 18,132,437	\$ 834,294	4.8%
Nolin	\$ 51,393,440	\$ 53,739,387	\$ 2,345,948	4.6%
Owen	\$ 132,382,139	\$ 137,526,060	\$ 5,143,921	3.9%
Salt River	\$ 83,379,874	\$ 87,265,943	\$ 3,886,069	4.7%
Shelby	\$ 33,178,496	\$ 34,555,250	\$ 1,376,754	4.1%
South Ky	\$ 89,374,774	\$ 93,525,503	\$ 4,150,730	4.6%
Taylor	\$ 35,982,424	\$ 37,564,768	\$ 1,582,344	4.4%
	\$ 825,419,487	\$ 861,774,741	\$ 36,355,254	4.4%

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2021-00108 DATED SEP 30 2021

The following rates and charges are prescribed for the customers in the area served by Farmers Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE R  
Residential

Customer Charge	\$ 14.49
Energy Charge per kWh	\$ 0.087687

SCHEDULE R  
Residential Time-of-Day

Customer Charge	\$ 20.34
Energy Charge - On Peak per kWh	\$ 0.103992
Energy Charge - Off Peak per kWh	\$ 0.057892

SCHEDULE RM  
Residential Off-Peak Mktg ETS

Energy Charge per kWh	\$ 0.050922
-----------------------	-------------

SCHEDULE C  
Commercial & Industrial < 50 kW

Customer Charge	\$ 22.07
Energy Charge per kWh	\$ 0.082796

SCHEDULE C  
Time-of-Day Commercial Service

Customer Charge Single Phase	\$ 22.07
Customer Charge Three Phase	\$ 108.70
Energy Charge – On Peak per kWh	\$ 0.117773
Energy Charge – Off Peak per kWh	\$ 0.057892

SCHEDULE C  
Commercial & Industrial > 50 kW

Customer Charge	\$ 108.70
Energy Charge per kWh	\$ 0.063033
Demand Charge per kW	\$ 8.17

SCHEDULE CM  
Small Commercial Off-Peak Marketing ETS

Energy Charge per kWh	\$ 0.047987
-----------------------	-------------

SCHEDULE D  
Large Commercial/Industrial Service Optional Time-of-Day Rate

Customer Charge	\$ 108.70
Demand Charge per kW	\$ 8.17
Energy Charge per kWh	\$ 0.062945

SCHEDULE E  
Large Industrial

Customer Charge	\$1,182.76
Demand Charge per kW	\$ 8.17
Energy Charge per kWh	\$ 0.049105

SCHEDULE LPC-1  
Large Power

Customer Charge	\$1,051.81
Demand Charge per kW	\$ 8.04
Energy Charge per kWh	\$ 0.055553

SCHEDULE LPC-2  
Large Power

Customer Charge	\$1,333.43
Demand Charge per kW	\$ 8.04
Energy Charge per kWh	\$ 0.053488

SCHEDULE LPC-3  
Large Power

Customer Charge	\$3,040.53
Demand Charge per kW	\$ 8.04
Energy Charge per kWh	\$ 0.051939

SCHEDULE LPC-4  
Large Power

Customer Charge	\$3,328.33
Demand Charge per kW	\$ 8.04
Energy Charge per kWh	\$ 0.049357

SCHEDULE LPC-5  
Large Power

Customer Charge	\$4,659.66
Demand Charge per kW	\$ 8.04
Energy Charge per kWh	\$ 0.046775

SCHEDULE LPB-1  
Large Power

Customer Charge	\$1,051.81
Demand Charge Contract per kW	\$ 8.04
Demand Charge Excess per kW	\$ 10.33
Energy Charge per kWh	\$ 0.055699

SCHEDULE LPB-2  
Large Power

Customer Charge	\$1,333.40
Demand Charge Contract per kW	\$ 8.04
Demand Charge Excess per kW	\$ 10.33
Energy Charge per kWh	\$ 0.053628

SCHEDULE LPB-3  
Large Power

Customer Charge	\$ 3040.53
Demand Charge Contract per kW	\$ 8.04
Demand Charge Excess per kW	\$ 10.33
Energy Charge per kWh	\$ 0.052075

SCHEDULE LPB-4  
Large Power

Customer Charge	\$3,328.33
Demand Charge Contract per kW	\$ 8.04
Demand Charge Excess per kW	\$ 10.33
Energy Charge per kWh	\$ 0.049487

SCHEDULE LPB-5  
Large Power

C Customer Charge	\$4,659.66
Demand Charge Contract per kW	\$ 8.04
Demand Charge Excess per kW	\$ 10.33
Energy Charge per kWh	\$ 0.046899

SCHEDULE LPE-1  
Large Power Time-of-Day

Customer Charge	\$1,051.81
Demand Charge per kW	\$ 6.85
Energy Charge On Peak per kWh	\$ 0.066122
Energy Charge Off Peak per kWh	\$ 0.057429

SCHEDULE LPE-2  
Large Power Time-of-Day

Customer Charge	\$1,333.40
Demand Charge per kW	\$ 6.85
Energy Charge On Peak per kWh	\$ 0.064062
Energy Charge Off Peak per kWh	\$ 0.055359

SCHEDULE LPE-3  
Large Power Time-of-Day

Customer Charge	\$3,040.53
Demand Charge per kW	\$ 6.85
Energy Charge On Peak per kWh	\$ 0.062517
Energy Charge Off Peak per kWh	\$ 0.053806

SCHEDULE LPE-4  
Large Power Time-of-Day

Customer Charge	\$3,328.40
Demand Charge per kW	\$ 6.85
Energy Charge – On Peak per kWh	\$ 0.059942
Energy Charge – Off Peak per kWh	\$ 0.051219

SCHEDULE LPE-5  
Large Power Time-of-Day

Customer Charge	\$4,659.66
Demand Charge per kW	\$ 6.85
Energy Charge On Peak per kWh	\$ 0.057365

Energy Charge Off Peak per kWh	\$	0.048630
--------------------------------	----	----------

SCHEDULE LPG-1

Large Power

Customer Charge	\$	4773.70
Demand Charge per kW	\$	7.30
Energy Charge per kWh	\$	0.039780

SCHEDULE SL

Street Lighting

Energy Charge per kWh	\$	0.056692
-----------------------	----	----------

SCHEDULE OL

Outdoor Lighting

Mercury Vapor 175 Watt	\$	9.77
Mercury Vapor 175 Watt (shared)	\$	3.26
Mercury Vapor 250 Watt	\$	11.11
Mercury Vapor 400 Watt	\$	16.87
Mercury Vapor 1,000 Watt	\$	29.59

Sodium Vapor 100 Watt	\$	10.17
Sodium Vapor 150 Watt	\$	11.84
Sodium Vapor 250 Watt	\$	16.06
Sodium Vapor 400 Watt	\$	20.63
Sodium Vapor 1,000 Watt	\$	44.63

LED Lighting 70 Watt	\$	10.11
LED Lighting 104 Watt	\$	15.53
LED Lighting 140 Watt	\$	17.09
LED Flood Lighting 199 Watt	\$	21.93

\*L Allyson Honaker  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*David S Samford  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B325  
Lexington, KENTUCKY 40504

\*Farmers R.E.C.C.  
504 South Broadway  
P. O. Box 1298  
Glasgow, KY 42141-1298